U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2004

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 000-27836

ORTHODONTIX, INC.
(Exact name of small business issuer in its charter)

FLORIDA	65-0643773
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1428 Brickell Avenue, Suite 105
Miami, Florida 33131
(Address of principal executive offices)

(305) 371-4112
(Issuer's Telephone Number)

Securities registered under Section 12(b) of the Exchange Act: None.

Securities registered under Section 12(g) of the Exchange Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.0001 per share	OTC Electronic Bulletin Board

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State issuer's revenues for its most recent fiscal year: $0.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Company based on the average of the bid and asked price of $0.20 of such Common Stock, as of March 23, 2005, is $416,225 based upon 2,081,127 shares of the Company's Common Stock outstanding as of March 21, 2005, held by non-affiliates. For purposes of this computation, all executive officers, directors and 5% beneficial owners of the Common Stock of the registrant have been deemed to be affiliates. Such determination should not be deemed to be an admission that such directors, officers or 5% beneficial owners are, in fact, affiliates of the registrant.

As of March 21, 2005, the Company had a total of 2,915,428 shares of Common Stock, par value $.0001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: None.

ORTHODONTIX, INC.
FORM 10-KSB
FISCAL YEAR ENDED DECEMBER 31, 2004

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

BACKGROUND

Orthodontix, Inc. (the "Company") was formed as Embassy Acquisition Corp., a Florida corporation, in November 1995 for the purpose of effecting a merger with an operating business. In April 1998, the Company merged with an orthodontic practice management company and acquired certain assets and assumed certain liabilities of 26 orthodontic practices (the "Practices") in exchange for shares of the Company's Common Stock and the entering into of practice management service agreements with the Practices (the "Merger"). Upon completing the Merger, the Company changed its name to Orthodontix, Inc. and began managing the business aspects of the Practices, including billing, collections, cash management and payroll processing, in exchange for a management fee. By November 1999, the Company had ceased providing practice management services. By May 2001, the Company had terminated its affiliation with all the Practices. The Company sold certain Practice assets back to the Practices and assumed certain liabilities. During the years ended December 31, 2000 and 2001, the Company terminated its affiliation with all of the Practices and recorded the sales of all the Practice assets and the shares of Common Stock returned in connection with the transactions. In addition, the Company recorded the Common Stock returned in connection with the resignations of management. Such transactions are reflected in the Company's Annual Reports on Form 10-KSB for the years then ended. See "MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION" at page 3 for a further discussion.

FUTURE PLANS

The Company intends to effect a merger, acquisition or other business combination with an operating company by using a combination of Common Stock, cash on hand, or other funding sources that the Company reasonably believes are available. Management devotes substantially all of its time to identifying potential merger or acquisition candidates. The Company is searching for an established business, principally in South Florida, and the Company has evaluated companies operating in selected industries, including business services, health care, manufacturing, distribution, aviation, pharmaceutical and banking.

Although the Company believes that it will be successful in consummating a business combination with an operating company, there can be no assurances that the Company will enter into such a transaction in the near future or on terms favorable to the Company, or that other funding sources will be available.

EMPLOYEES

Except for Glenn L. Halpryn, the Company's Chief Executive Officer, the Company currently has no full-time or part-time employees. The Company's Acting Chief Financial Officer, Alan Jay Weisberg, is compensated by the Company on a project basis through the accounting firm of Weisberg Brause & Co., a firm in which Mr. Weisberg is a shareholder.

ITEM 2. DESCRIPTION OF PROPERTY

The Company currently maintains, at no cost to the Company, its executive offices in approximately 500 square feet of office space located at 1428 Brickell Avenue, Suite 105, Miami, Florida 33131. Such office space represents a portion of the corporate offices of Transworld Investment Corporation ("TIC"), a company in which Glenn L. Halpryn and Noah Silver, directors and executive officers of the Company, are officers and/or directors.

ITEM 3. LEGAL PROCEEDINGS

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the fourth quarter of the year ended December 31, 2004, no matters were submitted to a vote of security holders of the Company.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Common Stock of the Company is quoted for trading in the over-the-counter electronic bulletin board market (the "OTC Bulletin Board") under the symbol "OTIX." The following table shows the reported high and low bid quotations for the Common Stock obtained from the OTC Bulletin Board for the periods indicated. The high and low bid prices for such periods are interdealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions.

OTC Bulletin Board	Low Bid	High Bid
2004		
First Quarter	$.20	$.20
Second Quarter	$.20	$.30
Third Quarter	$.20	$.30
Fourth Quarter	$.20	$.20
2003		
First Quarter	$.11	$.15
Second Quarter	$.10	$.15
Third Quarter	$.15	$.18
Fourth Quarter	$.18	$.20

The Company has approximately 61 stockholders of record as of March 21, 2005, inclusive of those brokerage firms and/or clearinghouses holding the Company's shares of Common Stock for their clientele (with each such brokerage house and/or clearinghouse being considered as one holder).

The Company has not paid or declared any dividends upon its Common Stock since its inception and does not contemplate or anticipate paying any dividends upon its Common Stock in the foreseeable future.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION

The following discussion with regard to the Company's financial condition and results contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current plans and expectations of the Company and involve substantial risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements.

Important factors that could cause actual results to differ from the Company's plans and expectations include, among others, the Company's inability to consummate an acquisition of an operating business on terms favorable to the Company or, in the event that the Company does consummate the transaction contemplated, the Company's ability to successfully manage and operate the combined business.

The discussion of the Company's financial condition and plan of operation, should be read in conjunction with the Company's Financial Statements and Notes thereto included elsewhere in this Report.

FINANCIAL RESULTS FOR THE YEARS ENDED DECEMBER 31, 2004 AND DECEMBER 31, 2003.

REVENUES. The Company ceased providing orthodontics practice management services to the Practices as of November 1999. No management service fee revenue or other operating revenue was recorded by the Company during the years ended December 31, 2004 and 2003. The Company does not expect to generate operating revenue until such time as the Company consummates a business combination with an operating company.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses were approximately $165,600 and $143,100 for the years ended December 31, 2004 and 2003, respectively. During 2003 and 2004, such expenses consisted primarily of executive officer compensation, insurance, and legal and accounting costs.

The Company anticipates that its general and administrative expenses will remain low until such time as the Company effects a merger or other business combination with an operating company.

INTEREST INCOME. Interest income of approximately $6,000 and $7,000 for the years ended December 31, 2004 and 2003, respectively, represents interest earned on excess cash balances invested primarily in short-term money market accounts. The decrease in interest income for year 2004 is primarily attributable to lower market rates of interest combined with the Company's having less excess cash invested during the year.

NET LOSS. For the years ended December 31, 2004 and 2003, the Company recorded a net loss of approximately $160,000 and $141,000, respectively, or $0.05 and $0.05 per share, respectively.

The Company does not expect to generate net income, if at all, until such time as it effects a business combination with an operating company. However, in the event that the Company does consummate a merger or an acquisition of an operating company, there can be no assurances that the combined operation will operate profitably.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2004, the Company had cash and cash equivalents of approximately $564,000, no investments, and total liabilities of approximately $70,000. The Company's cash is currently invested in money market accounts and overnight repurchase agreements. The Company continues to anticipate that the primary uses of working capital will include general and administrative expenses and costs associated with seeking to locate and consummate a business combination. The Company believes that its operating funds will be sufficient for its cash expenses for at least the next twelve months. At December 31, 2004, the Company had no ongoing contractual commitments or off-balance sheet arrangements.

PLAN OF OPERATION

Management of the Company intends to continue devoting substantially all of its time to identifying merger or acquisition candidates, targeting established businesses that operate principally in South Florida and in selected industries, including business services, health care, manufacturing, distribution, aviation, pharmaceutical and banking. In the event that the Company locates an acceptable operating business, the Company intends to effect the transaction by using a combination of its Common Stock, cash on hand, or other funding sources that the Company reasonably believes are available. However, there can be no assurances that the Company will be able to consummate a merger or acquisition of an operating business on terms favorable to the Company, or that other funding sources will be available.

ITEM 7. FINANCIAL STATEMENTS

The financial statements included herein, commencing at page F-1, have been prepared in accordance with the requirements of Regulation S-B.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On November 12, 2004, PricewaterhouseCoopers LLP ("PwC") resigned as the independent Registered Certified Public Accounting firm for Orthodontix, Inc. (the "Company").

Except as disclosed in the next sentence of this paragraph, the reports of PwC on the Company's financial statements for the years ended December 31, 2003 and 2002 did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle. As discussed in Note 1 to the Company's financial statements as of and for the years ended December 31, 2003 and 2002, the Company terminated its affiliation with all of its founding practices and intends to effect a merger, acquisition or other business combination with an operating company utilizing any combination of its common stock, cash on hand or other funding sources.

During the years ended December 31, 2003 and 2002, and through November 12, 2004, there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference thereto in their reports on the financial statements for such years.

During the years ended December 31, 2003 and 2002, and through November 12, 2004, there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

The Company engaged Salberg & Co. on February 2, 2005. The Company's Board of Directors approved the decision to retain Salberg & Co. The Company has authorized PwC to respond fully to the inquiries of Salberg & Co.

ITEM 8A. CONTROLS AND PROCEDURES

The Company's management concluded an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of December 31, 2004. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective as of December 31, 2004.

In addition, the Chief Executive Officer and Chief Financial Officer have determined that there have been no changes in the Company's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

DIRECTORS AND EXECUTIVE OFFICERS

The current directors and executive officers of the Company are as follows:

NAME	AGE	POSITION
Glenn L. Halpryn	44	Chairman of the Board of Directors, Chief Executive Officer, President and Secretary
Alan Jay Weisberg	59	Acting Chief Financial and Accounting Officer, Director
Noah M. Silver	46	Director

Glenn L. Halpryn has been the Company's Chief Executive Officer since May 2001 and Chairman of the Board of Directors, President and Secretary of the Company since April 2001. Mr. Halpryn has been a member of the Board of Directors since its inception and served a previous term as President of the Company from its inception through the closing of the Merger. Mr. Halpryn is also Chief Executive Officer and a director of Transworld Investment Corporation ("TIC"), serving in such capacity since June 2001. From 1984 to June 2001, Mr. Halpryn served as Vice President/Treasurer of TIC. From 1999, Mr. Halpryn also served as Vice President of Ivenco, Inc. ("Ivenco") until Ivenco's merger into TIC in June 2001. In addition, since 1984, Mr. Halpryn has been engaged in real estate investment and development activities, including the management, finance and leasing of commercial real estate. From April 1988 through June 1998, Mr. Halpryn was Vice Chairman of Central Bank, a Florida state-chartered bank. Since June 1987, Mr. Halpryn has been the President of and beneficial holder of stock of United Security Corporation ("United Security"), a broker-dealer registered with the NASD. From June 1992 through May 1994, Mr. Halpryn served as the Vice President, Secretary-Treasurer of Frost Hanna Halpryn Capital Group, Inc., a "blank check" company whose business combination was effected in May 1994 with Sterling Healthcare Group, Inc. From June 1995 through October 1996, Mr. Halpryn served as a member of the Board of Directors of Sterling Healthcare Group, Inc. During 2002, Mr. Halpryn became a director of Ivax Diagnostics, Inc., a publicly held corporation, and is a member of its audit committee.

Alan Jay Weisberg has been the Company's Acting Chief Financial Officer since September 1999 and a member of the Board of Directors and Treasurer of the Company since April 2001. Since July 1986, Mr. Weisberg has been a stockholder in the accounting firm of Weisberg Brause & Co., Boca Raton, Florida. Mr. Weisberg has been the principal financial officer of United Security since June 1987.

Noah M. Silver has been a member of the Company's Board of Directors since April 2001 and was a consultant to the Company during 1999. Mr. Silver has been the Chief Financial Officer of TIC since June 2001, a firm in which Mr. Halpryn is the Chief Executive Officer and a director. From March 2000, Mr. Silver served as the Chief Financial Officer of Ivenco, serving in such capacity until Ivenco's merger into TIC in June 2001. From January 1997 through February 1999, Mr. Silver was the President of Dryclean USA, Florida Division, and Dryclean USA Franchise Company. From April 1995 through December 1996, Mr. Silver was the Florida Division Controller and Vice President of Dryclean USA, the parent company of Dryclean USA, Florida Division. Mr. Silver is a Certified Public Accountant and a Certified Management Accountant and has earned a Master of Accounting Degree.

AUDIT COMMITTEE FINANCIAL EXPERTS

The Board of Directors has determined that the Company has two audit committee financial experts serving on its audit committee--Noah M. Silver and Alan Jay Weisberg. Only Mr. Silver is independent.

COMPLIANCE WITH SECTION 16(a)

To the Company's knowledge, based solely upon the Company's review of Forms 3, 4 and 5 furnished to the Company, for the year ended December 31, 2004, no person who was a director, officer or beneficial owner of more than ten percent of the Company's outstanding Common Stock or any other person subject to Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act") failed to file on a timely basis, reports required by Section 16(a) of the Exchange Act.

CODE OF ETHICS

The Company adopted a code of ethics that applies to all officers, directors and employees of the Company. Any person may obtain a copy of the code of ethics at no charge from the Company by writing to the Company at 1428 Brickell Avenue, Suite 105, Miami, Florida 33131.

ITEM 10. EXECUTIVE COMPENSATION

DIRECTOR COMPENSATION

During the year ended December 31, 2004, each director of the Company (employee and non-employee directors alike) received $300 for each Board meeting attended as well as reimbursement for any reasonable business expenses incurred by the director in connection with his activities on behalf of the Company. Noah Silver and Jay Weisberg each received an additional $500 payment for their accounting analysis of a potential acquisition during 2004. During 2004, the Company held three meetings of the Board of Directors. In addition, directors are entitled to receive stock options under the 1997 Orthodontix, Inc. Stock Option Plan. No such stock options were granted to directors during the year ended December 31, 2004.

EXECUTIVE COMPENSATION

No executive officer of the Company was compensated more than $100,000 during the year ended December 31, 2004. The following table sets forth all the compensation earned by Glenn L. Halpryn, who has been the Company's Chief Executive Officer since May 2001.

SUMMARY COMPENSATION TABLE

	Annual Compensation			Long Term Compensation Awards		
Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation	Securities Underlying Options	All Other Compensation
Glenn Halpryn,	2004	$41,700	$ 0	$ 0	0	$900
Chief Executive	2003	$50,000	$ 0	$ 0	0	$300
Officer(1)	2002	$50,000	$ 0	$ 0	0	$600

(1) In January 2002, Mr. Halpryn reduced his salary to $50,000 annually. In October 2004, Mr. Halpryn waived his salary for the balance of 2004.

STOCK OPTION GRANTS IN 2004

No options to purchase shares of the Company's Common Stock were granted to any executive officer during the year ended December 31, 2004. The following table sets forth certain summary information concerning grants of options to purchase shares of the Company's Common Stock during the year ended December 31, 2004:

Name	Number of Securities Underlying Options Granted	% of Total Options Granted to Employees in Fiscal Year	Exercise/ Base Price/ Share	Expiration Date
Glenn Halpryn	N/A	---	---	---

STOCK OPTION EXERCISES IN 2004
AND YEAR-END OPTION VALUES

No options to purchase shares of the Common Stock of the Company were exercised by any executive officer of the Company during the year ended December 31, 2004 and at December 31, 2004, there were no unexercised options to purchase the Company's Common Stock held by any executive officer of the Company. The following table sets forth certain summary information concerning exercised and unexercised options to purchase shares of the Company's Common Stock as of December 31, 2004:

Name	Shares Acquired on Exercise	Value Realized	Number of Unexercised Options at FY-end Exercisable/Unexercisable	Value of Unexercisable In-the-money Options at FY-end Exercisable / Unexercisable
Glenn L. Halpryn	---	N/A	0/0	$0/$0

EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS

Neither Mr. Halpryn, the Company's Chief Executive Officer, nor any other executive officer of the Company, has an employment agreement with the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information known to the Company with respect to the beneficial ownership of its Common Stock as of March 21, 2005 by (i) each stockholder known by the Company to own beneficially more than 5% of the outstanding Common Stock, (ii) each named executive officer of the Company, (iii) each director of the Company, and (iv) all directors and executive officers as a group. As of March 21, 2005, there were 2,915,428 shares of Common Stock outstanding.

PRINCIPAL SHAREHOLDERS

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned(1)	Percent Owned
Stephen Grussmark 7400 North Kendall Drive Suite 704 Miami, FL 33156	450,000(2)	15.4%
Glenn L. Halpryn 1428 Brickell Avenue, Suite 105 Miami, FL 33131	380,100	13.0%
Alan Jay Weisberg 1428 Brickell Avenue, Suite 105 Miami, FL 33131	4,201	0.14%
Noah Silver 1428 Brickell Avenue, Suite 105 Miami, FL 33131	0	0%
All Officers and Directors as a Group(2)	384,301	13.2%
Total Shares Outstanding as of March 21, 2005	2,915,428	

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Common Stock subject to options or warrants held by that person that are currently exercisable or will become exercisable within 60 days after March 21, 2005 are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person. Unless otherwise indicated in the footnotes below, the persons and entities named in the table have sole voting and investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

(2) Represents shares of Common Stock held in various trusts for which either Dr. Grussmark or his wife is the sole trustee and the beneficiaries of which are Dr. Grussmark, his wife or his children.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Alan Jay Weisberg, CPA, the Company's Acting Chief Financial Officer since September 1999 and a member of the Company's Board of Directors and Treasurer since April 2001, is a shareholder of Weisberg Brause, which firm was paid $4,850 and $6,200 during the years ended December 31, 2004 and 2003, respectively.

Since June 2001, the Company has utilized as its principal office, a portion of the corporate offices of TIC, a company in which Messrs. Halpryn and Silver are officers and directors. The Company occupies such space free of rent.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) Documents filed as part of this report

1. Financial Statements

See page F-1.

2. Exhibits:

See Exhibit Index. The Exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this report.

(b) Reports on Form 8-K:

The Form 8-K filed on November 18, 2004 is incorporated by reference as part of this report.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT FEES

PricewaterhouseCoopers LLP, the principal accountant for the Company during 2004, billed the Company $27,800 in 2004 and $28,000 in 2003 for professional services rendered for the audit of the Company's annual financial statements and review of financial statements included in the Company's Forms 10-QSB.

AUDIT-RELATED FEES

The Company paid no fees to its principal accountant except the audit fees reported above for 2003 and 2004.

TAX FEES

The Company paid no fees to its principal accountant for tax compliance, tax advice or tax planning during the past two fiscal years. The Company paid $1,235 in 2004 and $1,215 in 2003 to another accounting firm that filed the Company's tax returns.

ALL OTHER FEES

The Company paid only the audit fees reported above to its principal accountant during 2003 and 2004.

AUDIT COMMITTEE PRE-APPROVAL POLICIES

The Audit Committee pre-approved all services performed by the Company's principal accountant before the accountant was engaged in accordance with the Audit Committee's procedure of requiring the details of the services to be performed.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Glenn Halpryn____
Glenn Halpryn, Chief Executive Officer

March 28, 2005

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

By: /s/ Glenn Halpryn_____
Glenn Halpryn, Chairman of the Board,
Chief Executive Officer, President, Secretary

March 28, 2005

By: /s/ Alan Jay Weisberg_
Alan Jay Weisberg, Acting Chief Financial
and Accounting Officer, Director

March 28, 2005

By: /s/ Noah Silver_______
Noah Silver, Director

March 28, 2005

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Accounting Firm

To the Board of Directors
of Orthodontix, Inc.

We have audited the accompanying balance sheet of Orthodontix, Inc. as of December 31, 2004 and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Orthodontix, Inc. as of December 31, 2003, were audited by other auditors whose report dated March 19, 2004, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Orthodontix, Inc. as of December 31, 2004, and the results of their operations, changes in stockholders' equity and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

SALBERG & COMPANY, P.A.
Boca Raton, Florida
March 16, 2005

Report of Independent Registered Certified Public Accounting Firm

To the Board of Directors and
Shareholders of Orthodontix, Inc.

In our opinion, the accompanying statements of operations, stockholders' equity and cash flows present fairly, in all material respects, the results of operations and cash flows of Orthodontix, Inc. (the "Company") for the year ended then December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Company terminated its affiliation with all of its Founding Practices and intends to effect a merger, acquisition or other business combination with an operating company utilizing any combination of its common stock, cash on hand or other funding sources.

PricewaterhouseCoopers LLP

Miami, Florida
March 19, 2004

ORTHODONTIX, INC.
BALANCE SHEET
December 31, 2004

	2004
Assets	
Current assets:	
Cash and cash equivalents	$ 563,713
Prepaid expenses	2,123
Total current assets	565,836
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable	$ 4,213
Accrued liabilities	66,261
Total current liabilities	70,474
Stockholders' equity:	
Preferred stock, $.0001 par value, 100,000,000 shares authorized, no shares issued and outstanding	-
Common stock, $.0001 par value, 100,000,000 shares authorized, 2,915,428 shares outstanding	292
Additional paid-in capital	4,232,821
Accumulated deficit	(3,737,751)
Total stockholders' equity	495,362
Total liabilities and stockholders' equity	$ 565,836

See Accompanying Notes to Financial Statements.

ORTHODONTIX, INC.
Statements of Operations
For the years ended December 31, 2004 and 2003

	2004	2003
Operating Expenses:		
General and administrative expenses	$ 165,582	$ 143,135
Other operating expenses	-	4,250
Total operating expenses	165,582	147,385
Loss from Operations	(165,582)	(147,385)
Other income:		
Interest income	5,512	6,671
Total other income	5,512	6,671
Net loss	$ (160,070)	$ (140,714)
Net Loss per share--Basic and Diluted	$ (0.05)	$ (0.05)
Weighted average number of shares outstanding during the year--basic and diluted	2,915,428	2,915,428

See Accompanying Notes to Financial Statements.

ORTHODONTIX, INC.
Statements of Changes in Stockholders' Equity
For the years ended December 31, 2004 and 2003

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, December 31, 2002	-	$ -	2,915,428	$ 292	$ 4,232,821	$(3,436,967)	796,146
Net loss for the year ended December 31, 2003	-	-	-	-	-	(140,714)	(140,714)
Balance, December 31, 2003	-	-	2,915,428	292	4,232,821	(3,577,681)	655,432
Net loss for the year ended December 31, 2004	-	-	-	-	-	(160,070)	(160,070)
Balance, December 31, 2004	-	$ -	2,915,428	$ 292	$ 4,232,821	$(3,737,751)	$ 495,362

See Accompanying Notes to Financial Statements.

ORTHODONTIX, INC.
Statements of Cash Flows
For the years ended December 31, 2004 and 2003

	2004	2003
Cash flows from operating activities:		
Net loss	$ (160,070)	$ (140,714)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on notes receivable	-	4,250
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	294	33
Accounts payable and accrued liabilities	(8,349)	(251)
Net cash used in operating activities	(168,125)	(136,682)
Cash flows from investing activities:		
Purchase of investments	-	(552,359)
Redemption of Certificate of Deposit	552,359	-
Payment on notes receivable	-	60,881
Net cash provided by (used in) investing activities	552,359	(491,478)
Net increase (decrease) in cash and cash equivalents	384,234	(628,160)
Cash at beginning of period	179,479	807,639
Cash at end of period	$ 563,713	$ 179,479
Supplemental Disclosure of Cash Flow Information		
Cash paid for:		
Income taxes	$ -	$ -
Interest	$ -	$ -

See Accompanying Notes to Financial Statements.

1. Nature of Operations

On April 16, 1998, Orthodontix, Inc. and subsidiaries ("Orthodontix" or the "Company") consummated a merger (the "Merger") with Embassy Acquisition Corp. ("Embassy"), a publicly held Florida corporation. Simultaneously with the closing of the Merger, the Company acquired certain assets and assumed certain liabilities of 26 orthodontic practices (the "Founding Practices").

During the year ended December 31, 1999, the Company began to terminate its affiliation with the Founding Practices. During the year ended December 31, 2001, the Company terminated its affiliation with all 26 Founding Practices.

The accompanying financial statements have been prepared on the basis which assumes that the Company will continue to operate as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has generated an accumulated deficit of approximately $3.7 million at December 31, 2004 as a result of operations and the termination of its affiliation with the Founding Practices. The Company incurred net losses of approximately $160,000 and $141,000 for the years ended December 31, 2004 and 2003, respectively. The Company also reflects net cash used in operations of approximately $168,000 and $137,000 for the years ended December 31, 2004 and 2003, respectively.

The Company currently intends to effect a merger, acquisition or other business combination with an operating company utilizing any combination of its common stock, cash on hand or other funding sources that the Company believes are available. During the year ended December 31, 2004, management has devoted substantially all of its time to identifying potential merger or acquisition candidates. There can be no assurances that management's efforts to consummate a merger, acquisition or business combination with an operating company or management's efforts to identify other funding sources will be successful. The Company anticipates that its current working capital is sufficient to fund its operating expenses at their current level for at least the next twelve months. Therefore, the going concern is mitigated.

2. Summary of Significant Accounting Policies

Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods presented. Actual results may differ from these estimates.

Significant estimates during 2004 and 2003 include a valuation allowance for deferred tax assets.

Cash and Cash Equivalents

For the purpose of the cash flow statements, the Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. During 2004 the Company redeemed a certificate of deposit with the proceeds being transferred into a money market account.

Concentrations

The Company maintains its cash in bank deposit accounts, which, at times, exceed federally insured limits. As of December 31, 2004, the Company had deposits of $440,753 in excess of federally insured limits. The Company has not experienced any losses in such accounts through December 31, 2004.

Income Taxes

The Company accounts for income taxes under the Financial Accounting Standards No. 109 "Accounting for Income Taxes" ("Statement 109"). Under Statements 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period, which includes the enactment date.

Earnings Per Share

In accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share", basic earnings per share is computed by dividing the net income (loss) less preferred dividends for the period by the weighted average number of shares outstanding. Diluted earnings per share is computed by dividing net income (loss) less preferred dividends by the weighted average number of shares outstanding including the effect of share equivalents. At December 31, 2004 and 2003, there were no common share equivalents, which could potentially dilute future earnings per unit.

Stock Options

The Company accounts for options granted to employees using the intrinsic value method. The Company has chosen not to apply the fair value accounting rules in the statements of operations for employee stock-based compensation but such treatment is required for non-employee stock-based compensation. The Company has chosen the alternative to disclose pro forma net loss and loss per share as if the fair value accounting rules were used for options granted to employees.

The Company had no stock options outstanding during the years ended December 31, 2004 and 2003. Therefore, there was no impact of fair value accounting rules on the Company's net loss and net loss per share--basic and diluted for the years ended December 31, 2004 and 2003.

New Accounting Pronouncements

In December 2004, the FASB issued SFAS 153 "Exchanges of Non-monetary Assets"--an amendment of APB Opinion No. 29. This Statement amended APB Opinion 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The adoption of this Standard is not expected to have any material impact on the Company's financial position, results of operations or cash flows.

In December 2004, the FASB issued SFAS 123 (revised 2004) "Share-Based Payment". This Statement requires that the cost resulting from all share-based transactions be recorded in the financial statements. The Statement establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all entities to apply a fair-value-based measurement in accounting for share-based payment transactions with employees. The Statement also establishes fair value as the measurement objective for transactions in which an entity acquires goods or services from non-employees in share-based payment transactions. The Statement replaces

SFAS 123 "Accounting for Stock-Based Compensation" and supersedes APB Opinion No. 25 "Accounting for Stock Issued to Employees". The provisions of this Statement will be effective for the Company beginning with its fiscal year ending 2005. The Company is currently evaluating the impact this new Standard will have on its financial position, results of operations or cash flows.

3. Loss on Collection of Notes Receivable

At December 31, 2002, the Company had a note receivable as a result of the termination of the affiliation with a Founding Practice with an outstanding balance of approximately $65,000. Such note receivable was due in monthly payments through August 2004. On March 31, 2003, the Company entered into an agreement for the Founding Practice to settle the outstanding balance on the note receivable for a payment of approximately $60,900. As a result of the agreement, the Company recorded other operating expenses in the amount of $4,250 for the year ended December 31, 2003.

4. Income Taxes

There was no income tax expense for the years ended December 31, 2004 and 2003 due to the Company's net losses.

The Company's tax expense differs from the "expected" tax expense for the years ended December 31, 2004 and 2003, (computed by applying the Federal Corporate tax rate of 34% to loss before taxes and 5.5% for State Corporate taxes), as follows:

	2004	2003
Computed "expected" tax expense (benefit)--Federal	$ (51,430)	$ (45,104)
Computed "expected" tax expense (benefit)--State	(8,804)	(7,721)
Change in valuation allowance	60,234	52,825
Total	$ -	$ -

The effects of temporary differences that gave rise to significant portions of deferred tax assets at December 31, 2004 are as follows:

Deferred tax assets:	
Accrued expenses	$ 5,090
Net operating loss carryforward	1,060,161
Total gross deferred tax assets	$1,065,251
Less valuation allowance	(1,065,251)
Net deferred tax assets	$ -

The Company has a net operating loss carryforward of approximately $2,817,330 available to offset future taxable income expiring 2024.

The valuation allowance at December 31, 2003 was $1,005,017. The net change in valuation allowance during the year ended December 31, 2004 was an increase of $60,234.

5. Stock Option Plan

The Company adopted an option plan (the "Option Plan") that provides for granting up to 500,000 shares of common stock by November 2007. The Option Plan provides for the issuance of incentive stock options and non-qualified stock options. Under the Option Plan, options may be granted at not less than the fair market value of the stock on the date of the grant. The term of each option generally may not exceed ten years.

There were no options outstanding as of or for the years ended December 31, 2004 and 2003.

6. Related Party Transactions

During 2004 and 2003, the Company paid accounting fees and directors fees to its CFO. Additionally, salary and directors fees were paid to the Company's President and CEO. The following is a summary of these payments for the years ended December 31, 2004 and 2003, respectively:.

	2004	2003
Accounting Fees--CFO	$ 4,850	$ 6,200
Salary--President and CEO	41,667	50,000
Directors Fees--President and CEO	900	900
Directors Fees--CFO	1,400	900

EXHIBIT INDEX

Exhibit Number	Exhibit Description
2.1*	Agreement and Plan of Merger and Reorganization, dated October 30, 1997, between Embassy Acquisition Corp. (now known as Orthodontix, Inc. (the "Company")) and Orthodontix, Inc. (now known as Orthodontix Subsidiary, Inc.).
3.1*	Amended and Restated Articles of Incorporation of the Company.
3.2*	Bylaws of the Company as amended.
4.1*	Form of certificate representing shares of Common Stock of the Company.
10.1*	1997 Orthodontix, Inc. Stock Option Plan.
10.2*	Form of Administrative Services Agreement of the Company.
10.3*	Forms of Services Agreement of the Company.
10.4*	Form of Agreement and Plan of Reorganization of the Company.
10.5*	Forms of Lock-Up Agreement.
14.1**	Code of Ethics
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Certification of Chief Executive Officer and Chief Financial Officer

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* Incorporated by reference to the Company's Registration Statement on Form S-4 declared effective on March 26, 1998 by the Securities and Exchange Commission, SEC File No. 333-48677.
**Incorporated by reference to the Company's Annual Report on Form 10-KSB for the year ended December 31, 2003.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Glenn L. Halpryn, certify that:

1. I have reviewed this report on Form 10-KSB of Orthodontix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on our evaluation;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Dated: March 28, 2005 By: /s/ Glenn L. Halpryn

Glenn L. Halpryn

Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Alan Jay Weisberg, certify that:

1. I have reviewed this report on Form 10-KSB of Orthodontix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on our evaluation;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Dated: March 28, 2005 By: /s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO RULE 13a-14(b) AND SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (SUBSECTIONS (a) AND (b) OF SECTION 1350, TITLE 18, UNITED STATES CODE)

In connection with the Annual Report on Form 10-KSB of Orthodontix,Inc. for the period ended December 31, 2004 as filed with the Securities and Exchange Commission (the "Report"), we, Glenn L. Halpryn, Chief Executive Officer of Orthodontix, Inc., and Alan Jay Weisberg, Acting Chief Financial Officer of Orthodontix, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Orthodontix, Inc.

Dated: March 28, 2005 By: /s/ Glenn L. Halpryn

Glenn L. Halpryn
Chief Executive Officer

Dated: March 28, 2005 By: /s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer